

STATE OF DELAWARE  
DEPARTMENT OF FINANCE  
DIVISION OF REVENUE  
601 DELAWARE AVENUE  
WILMINGTON, DELAWARE 19899

TAX NEWSGRAM 72-15

January 18, 1972

PUBLIC ACCOMMODATION TAXES

House Bill 504, Special Session, 126th General Assembly approved by Governor Peterson July 30, 1971 adds new Part V and new Chapter 61 to Title 30 Delaware Code.

Institutes a new tax of 6% of rental amount for public accommodations rented in hotel, motel, or tourist homes effective August 15, 1971 with the exception of written contracts dated prior to August 1, 1971.

The tax applies to any occupancy of a room or rooms on or after August 15, 1971 in a hotel, motel, or tourist home, except a permanent resident. A permanent resident is one who occupies a room for more than five consecutive months. A resident will not be considered permanent until he has occupied the room or rooms for at least five consecutive months. The tax will be collected and paid over to the Division of Revenue until that time. Upon the completion of the five months residency the operator will refund to the occupant the tax collected and obtain an affidavit from him that the tax has been refunded and the operator will claim a credit on the subsequent return filed by him.

A hotel is defined as a place with at least six (6) permanent bedrooms for guests where public may obtain meals and sleeping accommodations.

A motel is defined as a place furnishing transient guests sleeping accommodations, bath, and toilet facilities, linen service and auto parking.

A tourist home is defined as a place with at least five (5) bedrooms where tourists or transients may obtain sleeping accommodations.

If a place fits any of the above descriptions, it is subject to this tax. The name given to a place does not govern its classification.

Occupancy means use of or right to use by a person other than a permanent resident of any room or rooms in a hotel, motel or tourist home for any purpose. Except it does not include those instances where hotel, motel or tourist home provides a room where it serves meals subject to license as a restaurant retailer under Section 2906, Title 30 Delaware Code.

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The tax is 6% of the gross amount paid (including services or other value in kind) for use of the room or rooms.

The tax collected each month shall be reported on the fifteenth (15th) day of the month following collection on forms which will be mailed to each hotel, motel, and tourist home operator. The non-receipt of the forms by the operator shall not excuse filing of the required forms.

If a valid written contract was entered into prior to August 1, 1971, the tax does not apply.

Exemption is granted to any charitable, educational or religious institution, summer camp for children, hospital or nursing home. For example, where the University of Delaware entered into an agreement with two hotel organizations to provide blocks of rooms to be used by the University as temporary dormitory facilities for students beginning September 2, 1971 exemption was granted (Director's Ruling 71-6 dated August 26, 1971).

Under the law operators of hotels, motels, and tourist homes are required to collect and pay over the tax at 6%. Payments to the Division of Revenue are to be made on the 15th day of the month following collection.



J. H. Kennedy  
Director of Revenue

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